

TRieste PROBLEM

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The prospects for fruitful negotiations have been dimmed by Yugoslav and Italian reaction to <sup>Western Foreign Ministers'</sup> British-American proposal for five power talks on Trieste.

Within Yugoslavia a change of atmosphere has been noted following the presentation by the USSR of its note to the UN and its request that a Security Council meeting be called to implement provisions of Italian Peace Treaty for Trieste.

1. Yugoslavia was apparently embarrassed by the ostensible Soviet support for its position.
2. Mass demonstrations have been halted although United States Information Service Centers are still under attack.
3. Greater emphasis has been placed upon finding a solution of the Trieste problem by negotiation.

Despite this emphasis on negotiation Tito's rejection of the Western Foreign Ministers' <sup>proposed agenda for holding</sup> ~~proposal to hold~~ five power discussions dims prospects for fruitful negotiations.

1. He rejected the <sup>pro</sup>posal on grounds that the terms of the

agenda were unacceptable.

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2. He asserted that the Western proposal to hold discussions "to ensure that the decision of 8 October is so applied as to bring about lasting peace on the Trieste issue" prejudged the outcome.
3. He agreed, however, that a five power conference including France was acceptable in principle.

In rejecting the Western proposal Tito outlined the probable Yugoslav position in any conference.

1. He suggested that Yugoslavia's position would be based on a "flexible" interpretation of his Leskovsac proposal on 10 October.
  - a. This called for Italian administration of the City of Trieste and Yugoslav administration of the remainder of the Free Territory for a 10-15 year period during which differences might be "mitigated."
2. He declared that Yugoslavia wants a public declaration by the three powers that they will not support further Italian territorial claims.

3. He stated that Yugoslavia should have a part of Zone A,

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which would "cost Italy nothing but be of greatest importance politically to Yugoslavia."

4. He emphasized that economic as well as ethnic considerations must be taken into account in future discussions on territorial modifications.

Italy has <sup>indicated dissatisfaction with</sup> ~~also rejected~~ the London conference proposals.

1. An Italian Foreign Ministry representative stated on 18 October that Italy could attend a five power conference on Trieste only if:

- a. Italy is previously in effective possession of Zone A and,
- b. The talks start with discussion of a plebiscite to determine the future of the whole area.

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2. Pella indicated [REDACTED] on 18 October that Italy could attend the conference prior to taking over full military administration of Zone A if given the civil administration.

3. Apparently to prevent any retreat from the 8 October dec-

laration, Premier Pella on 15 October threatened to resign

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if there was any indication that the declaration would be altered, but has reportedly postponed this step until after the 22 October cabinet meeting.

Publicly and privately Tito has emphasized that Yugoslavia has in no way modified its position on the 8 October decision.

1. He told American, British and French representatives on 18 October that Yugoslavia will be obliged to send forces into Zone A if the decision is implemented.
2. He stated, however, that if Italian troops were brought in under cover of British-American occupation troops, Yugoslavia would <sup>not</sup> fight;
  - a. He declared that his forces and Western troops must not fire on each other.
  - b. He emphasized that Italian entrance under these conditions would have a catastrophic reaction in Yugoslavia and seriously threaten good relations with the West.

<sup>(Tito's official newspaper)</sup>  
Borba, Von 19 October, warned that Italian occupation of Zone

A "with or without troops is the same thing."

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3. Yugoslav troops have been moved to the borders of Zone A.

a. Total number of Yugoslav troops on FTT perimeter cannot now be accurately estimated, but 30,000 would be a fair approximation exclusive of troops in Zone B.

b. Confirmed movements include:

- (1) 1st Proletarian Division from Postojna (20 miles northeast of Trieste) to Tolmin-Gorizia area along Italian frontier.
- (2) The Assault Division from Novo Mesto (105 miles northeast of Trieste) to Komen-Sezana-Divaca area along border Zone A.

c. Other probable movements, but not yet confirmed:

- (1) 6th Proletarian Division from Karlovao (85 miles east of Trieste) - westward.
- (2) 8th Proletarian Brigade (6 Proletarian Division) from Delnice (50 miles southeast of Trieste) - southwest.

- (3) 10th Proletarian Brigade (6 Proletarian Division)

from Zagreb (105 miles east of Trieste) - westward.

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(4) 268th Tank Brigade (1st Armored Division) from  
Vrhnika (32 miles northeast of Trieste) to Kozina  
area along Zone B border.

(5) 16th Rifle Brigade (XXIII Corps) from Kranj (50  
miles northeast of Trieste) - southwest.

(6) Heavy Artillery Regiment (XXIII Corps) from Ribnica  
(45 miles east of Trieste) - northwest. ✓

d. There is no confirmation that additional troop units  
have moved into Zone B.

Italian military movements<sup>s</sup> include:

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1. Up to 17 October [REDACTED]

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[REDACTED] no concern over Tito's threats of military inter-  
vention.

2. On 19 October [REDACTED]

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[REDACTED] now believed the Yugoslavs might fight.

3. One Italian infantry regiment moved up to the border between  
Gorizia and Monfalcone on 17 October.

4. According to unconfirmed press reports, three divisions

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within 75 miles of the Yugoslav border were alerted at the same time.

5. Some naval units have also reportedly been ordered to Venice.

Soviet propaganda has been unusually reticent on Trieste issue.

1. There has been no Soviet reaction to the Western Foreign Ministers' call on 18 October for a five power conference.
2. The Soviet press has reiterated the official line that the Italian peace treaty outlines the correct solution of the Trieste dispute.
3. Satellite comment similarly stresses the violation of the Italian peace treaty.
4. The Soviet press has not printed any Yugoslav reaction nor beamed its comment to the Yugoslav audience.

Ambassador Bohlen attributes the Soviet press reticence to "a desire to avoid taking sides on the substance of the dispute."

1. He believes that the USSR is concerned at the violence of the Yugoslav reaction and wishes to "avoid inflaming situation" to the point of an Italian-Yugoslav conflict

"which would be difficult to confine."

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2. Ambassador Bohlen sees a three-fold Soviet objective:

- a. To forestall a settlement without the participation of the USSR.
- b. To exploit <sup>(the alleged)</sup> violation of Italian peace treaty.
- c. To pose as champions of peace and security.

Italian Communist reaction to US-UK decision.

1. In spite of Togliatti's <sup>8 October support of</sup> ~~prior insistence on~~ a Trieste plebiscite, Italian Communist L'Unita stated that the "Soviet thesis is the only way to save Zone B."
2. Not completely abandoning nationalist line, L'Unita adds that the solution proposed by the USSR "would leave the door open to an intelligent Italian diplomatic initiative."

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